



FINANCE & TECHNOLOGY RESEARCH CENTRE

Adviser Forum

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# Workplace Forum

## Executive Summary

**Meeting held on 7<sup>th</sup> July 2011 at  
The Chartered Institute of Arbitrators (CI Arb), 12 Bloomsbury Square, London, WC1A 2LP**

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# Competition Act reminder

- The role of this Forum is to facilitate business efficiencies in the personal finance sector for the benefit of distributors, providers and most importantly consumers.
- All present are reminded of the requirements of the Competition Act and members' attention is drawn to the guidelines, which are available.
- In essence, all Members shall refrain from any conduct or participation in any activities which could lead to a restriction of competition between the Members or any third party who is a competitor of a Member or Product Provider or which could in any other way lead to an infringement of UK and/or EC rules on competition law.
- Output of the meeting must be complete, we will pause before each new section to agree and summarise the issues covered.
- Role of the chairman is to steer the group clear of conversations that may impinge on the act.
- If the chairman fails to do this, delegates should point this out in the meeting and if the situation does not change should leave the meeting.

# Workplace Forum

- This pack contains the slides presented at the **Workplace Forum** meeting held on **7<sup>th</sup> July 2011**.
- Slides with a **purple banner** represent the meeting presentation; slides with a **gold banner** represent additional views and conclusions from the meeting. Members' comments, additional text and actions are shown in **purple text**.

<i>Agenda</i>	<i>Page no.</i>
• <b>Attendees and apologies</b>	<b>4</b>
• <b>Executive Summary</b>	<b>5-6</b>
• <b>Objectives and actions</b>	<b>7-10</b>
• <b>Workplace Forum</b> – brief overview of activity and issues being investigated	<b>11</b>
• <b>AOB – Next Forum Dates</b>	<b>12</b>

# Workplace Attendees

## Distributors (Corporate IFA's, Employee Benefit Consultants and Benefit Portals)

Sesame Bankhall	Bluefin Group
Redbourne	Master Adviser
JLT	Staffcare
JLT	Pershing

## Product Providers

AEGON	Friends Life
Aviva	NEST
Aquila	Royal London Group/Scottish Life
Ellipse	Standard Life

## F&TRC

Ian McKenna, Antonia Blake, Jason Green & Nigel Ogram

## Apologies

Origen	Clairville York	Canada Life
Scottish Widows	Bucks Consultants	Heath Lambert

# Executive summary

<b>Premium collection</b>	<ul style="list-style-type: none"><li>• The primary driver for distributors is to see what lessons can be learnt from the last 10 years of electronic contribution collection and put in place to improve efficiency in the run-up to Auto Enrolment.</li><li>• Distributors and Providers agreed that for STP to work properly, consistency of process is definitely the key. Distributors commented that too many experienced or technical staff were acting as glorified administrators to accommodate the wide variety in provider processes. A fully functioning STP process means that many other adviser systems become more efficient, resulting in a better client service.</li><li>• Distributors agreed that the fundamental aim for them was to “make business more sticky”. Providers initially felt that this applied less to them, but distributors commented that an employer deciding to drop an adviser could easily mean that a new adviser would re-broke a group scheme to a new provider, with a possible transfer-out as well – thus “stickiness” affects providers too, generating a valid business case for providers to rationalise their systems to better support distributors.</li><li>• It was agreed that auto enrolment will raise new issues in respect of premium collection, especially from smaller employers with less IT literacy.</li></ul>
<b>Group risk &amp; healthcare - use of technology</b>	<ul style="list-style-type: none"><li>• The meeting agreed that group risk was lagging behind group pensions in the use of technology.</li><li>• The meeting agreed to focus on friction points within the renewals system to see how technology could be deployed to streamline the process for distributors.</li></ul>

# Executive summary

<b>Multiple agency servicing</b>	<ul style="list-style-type: none"><li>• The fundamental issue is that in the group market, the adviser representing the employer is very often different to the adviser working on behalf of the individual.</li><li>• Support for adviser access was also seen as something it would be useful for NEST to provide.</li><li>• F&amp;TRC to assess providers' attitude to screen-scraping data aggregation systems and also whether the Origo legal framework covers it.</li><li>• F&amp;TRC to review its Group Pensions &amp; Employee Benefits Surveys and evaluate existing questions regarding multiple serving rights. If required these will be extended and distributed to a larger population for completion.</li></ul>
<b>RDR and remuneration</b>	<ul style="list-style-type: none"><li>• The meeting agreed that it appears that the FSA will allow commission to be continued in respect of pre-RDR plans.</li><li>• In the meeting, NEST confirmed that that they will be unable to support payments to intermediaries, this position is simply because legislation dictates their business model, which from the outset, has been built without a facility to make payments to intermediaries. F&amp;TRC questioned (and delegates agreed), that this position may constitute a commercial disadvantage for NEST.</li></ul>

# Objectives

## Objectives

- |  |   |
|--|---|
| • Identifying a consistent approach for STP Premium Collection - Agree how to progress?              | ✓ |
| • Identify how existing technology within businesses can be used to improve technology in Group Risk | ✓ |
| • Assess the issues around Multiple Servicing Rights and agree a way forward                         | ✓ |
| • Revisit issue of consultancy charging and commissions in light of the latest RDR consultation      | ✓ |

# Actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
07/04/11	WP31	Investigate extent of current adoption of the Origo contribution collection standard . Post meeting note; Discussions with insurers suggest current adoption is minimal. F&TRC will investigate to confirm this and in so doing seek to understand if adoption is planned and any reasons for non-adoption.	F&TRC & Providers	7 <sup>th</sup> July	Complete.  See page 22
07/04/11	WP32  See WP59	F&TRC to contact Product Providers and Distributors, followed by advisers to identify the current data set they collect and related operational requirements such as to who, how and the frequency the data is delivered.	F&TRC Jason Green	31 <sup>st</sup> April	Information currently received from Aviva, Friends Life, Scottish Life, Redbourne. Pending further detail from Aegon & Ellipse. Awaiting information from Standard Life, Bluefin & JLT which we hope to receive before the 7 <sup>th</sup> July meeting To date 15 other Providers/EBCs/Software vendors are yet to respond. <b>This action is continued with WP59</b>
07/04/11	WP33  See WP59	F&TRC agreed to ask what EBCs STP requirements currently are for premium collection, but also anything else they want to add in the near future, in the case of the latter F&TRC will ask for rationale behind this regarding the operational part of the process	F&TRC Jason Green	27 <sup>th</sup> May	See Action 32 update which now includes this action.  <b>Note: Linked WP32, WP33, WP37 now continued with new action WP59.</b>
07/04/11	WP34	Investigate whether BASDA have a premium collection standard	F&TRC Ian McKenna	Discuss 7 <sup>th</sup> July meeting	Complete  No reference on their website.
07/04/11	WP35	Request an update from Origo on their premium collection standard	F&TRC Nigel	6 <sup>th</sup> June	Complete. See update on page 22
07/04/11	WP36	Investigate the other bodies looking at Premium Collection Standards	F&TRC Jason Green	Discuss at 7 <sup>th</sup> July meeting	See slide 22 - Complete F&TRC will make into an on-going internal action and report back to the Forum as applicable

# Actions

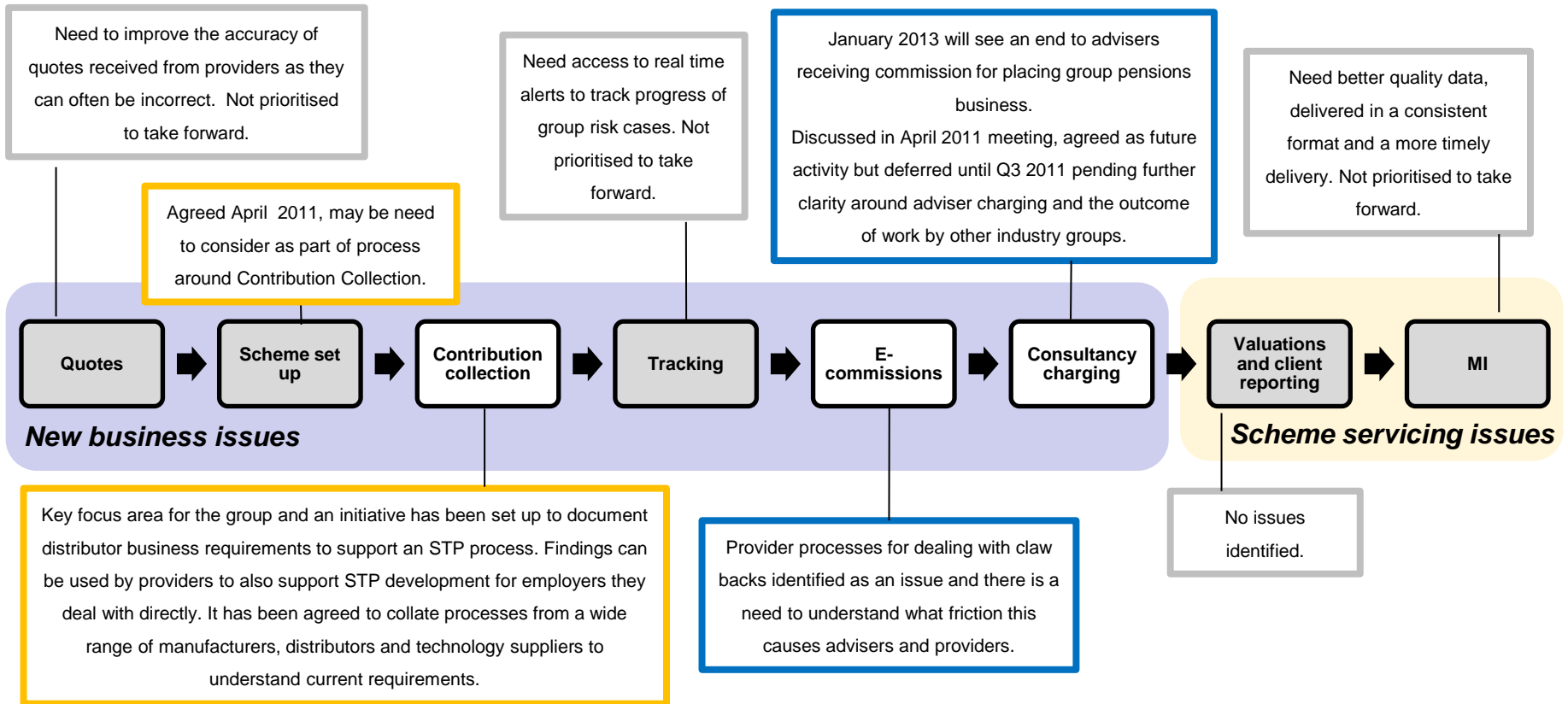
Date of meeting	No.	Task	Resource name	Deadline	Comments
07/04/11	WP37 See WP59	F&TRC to extend the work on Contribution Collection to include scheme set up.	F&TRC Jason Green	Now to be included with action 32 and review at 7 <sup>th</sup> July meeting	Linked WP32 and continued by WP59
07/04/11	WP38	Attendees at the meeting to invite their Group Risk Insurers to the next Workplace Forum to be held on the 7 <sup>th</sup> July 2011. All invites to be cc'd to Ian McKenna and Antonia Blake	All adviser and technology supplier members	7 <sup>th</sup> July	Complete. 4 Companies approached and 2 attending today. 2 more have expressed interest
07/04/11	WP39	Discuss with Group Risk providers at the next meeting the benefits of mapping their various processes to identify what a potential "good practice" renewal process see Action 38	All members	Discuss at 7 <sup>th</sup> July meeting	Complete
07/04/11	WP40	F&TRC suggested exploring the issue of being able to support multiple advisers servicing the same client i.e. the situation where the employer has one adviser and the employee has appointed another.	F&TRC	Discuss at 7 <sup>th</sup> July meeting	Complete See pack 34-36
07/04/11	WP41	Revisit the question of remuneration and commission processes Q3. It was agreed that this would be valuable but not currently a priority. In addition Origo are undertaking work in this area and it was agreed best to await their findings in order to avoid any risk of duplication.	All members	Q3	See slide 42. Added to holding list

# New actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
07/07/11	W59	<p><b>Identify the current data set collected and related operational requirements such as to who, how and the frequency the data is delivered and future requirements, including scheme set up</b></p> <p>When more advisers and software suppliers have responded:</p> <ul style="list-style-type: none"> <li>• Run through the existing responses</li> <li>• Identify the range of common factors.</li> <li>• Identify with respondents if they expect their processes to change post auto enrolment</li> </ul> <p>This should be extended to include “exceptions” (maternity, sabbaticals, contribution holidays etc) to ascertain what steps/stages are not present but perhaps should be?</p>	F&TRC Jason & Advisers + Software Suppliers + EBCs	22 August	<p><b>This action continues from WP32,WP33 and WP37 combined</b></p> <p>F&amp;TRC to collate all responses received by August to identify common factors.</p> <p>Approached: Bluefin – Des, Standard Life – Ross, JLT, NEST not approached</p> <p>JLT now received but the other 2 are still outstanding.</p>
07/07/11	W60	<p><b>NEST Questions</b></p> <p>F&amp;TRC to liaise with NEST to obtain clarification on the eight questions raised at the meeting</p>	F&TRC Nigel	10 <sup>th</sup> August	Complete. Please see questions and responses on Slides 27, 28
07/07/11	W61	<p><b>Identify blocks in renewal system processes</b></p> <p>F&amp;TRC to organise a conference call, with distributors initially, to identify the elements of the renewal systems that are the main causes of friction and frustration. This will then extend to providers, and we will document the findings.</p> <p>The whole renewal process should be considered, rather than just the premium renewal at the end of the guarantee period.</p>	F&TRC Nigel & Distributors & Providers	Discuss at 6 <sup>th</sup> Oct meeting	
07/07/11	W62	<p><b>Identify any existing survey work on Multiple Servicing Rights</b></p> <p>F&amp;TRC to review its Group Pensions &amp; Employee Benefits Surveys and evaluate existing questions regarding multiple serving rights. If required these will be extended and distributed to a larger population for completion.</p>	F&TRC Jason	Discuss at 6 <sup>th</sup> Oct meeting	
07/07/11	W63	<p><b>Establish the support of Screen-Scraping Aggregation</b></p> <p>F&amp;TRC to confirm whether providers are prepared to support screen-scraping aggregation.</p>	F&TRC Jason	Discuss at 6 <sup>th</sup> Oct meeting	
07/07/11	W64	<p><b>Establish whether Origo standards include screen-scraping aggregation</b></p> <p>F&amp;TRC to check if the Origo legal framework covers screen-scraping data aggregation.</p>	F&TRC Nigel	Discuss at 6 <sup>th</sup> Oct meeting	

# Issues being addressed by Workplace Forum

- Since October 2010, Workplace Forum has been discussing a range of different operational issues identified by the distributors that engage in this group.
- Below, we have provided a brief update on the issues the group has been engaged in and the progress that has been made:



Work complete

Work underway

New issues for discussion

No issues identified or not prioritised to take forward.

## 2011 meeting dates for Workplace Forum:

- 6<sup>th</sup> October

## All 2011 meetings will be held at:

- The Chartered Institute of Arbitrators (CIArb), 12 Bloomsbury Square, London, WC1A 2LP

## F&TRC Workplace Benefits e-Excellence survey

- **What will this cover?**  
Designed to provide them with an impartial perspective on leading edge developments in workplace and benefits technology. This will include an update to our benchmarking of leading suppliers in this space so we will be carrying out a further survey of the players commencing in the next few weeks.
- **Who is it aimed at?**  
HR & Finance directors of FTSE 250 companies and similar size businesses and the wider industry
- **How will results be communicated**  
To be published in a dedicated supplement in Corporate Adviser in November 2011. Elements of early findings will be presented at Employee Benefits Live conference on 28<sup>th</sup> September

**Forum members are invited to participate in this benchmarking and should contact Jason Green to be sent the survey invite.**

[Jason.green@ftrc.co.uk](mailto:Jason.green@ftrc.co.uk)

## Adviser Forum Meeting Calendar 2011

Key	Meeting type	Who attends
	Investment Forum	Adviser Firms, Product Providers, Fund Mgt. Groups
	Workplace Forum	Adviser Firms, EBC's, Benefit Portals and Employee Benefit Providers
	Protection Forum	Distributors, Product Providers, Re-insurers
	E-Services Forum	Technology vendors, Product Providers, Platforms

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